



(715) 839-4943

Including Voice TDD

Fax: (715) 839-4939

AUTHORITY

Dear Prospective Homeowner:

This application has been developed by the City of Eau Claire Housing Authority to determine if the applicant is eligible for the Down Payment Closing Cost Assistance Program on a single-family **owner-occupied** home purchased in the city limits of Eau Claire. (Tenant-occupied units do not qualify due to relocation restrictions.) Please refer to the attached fact sheet regarding the type of assistance this program is providing and the selection criteria for eligible applicants.

To qualify for the assistance, the **LENDER** must certify that the applicant's cash assets are less than \$5,000 and no cash assets have been disposed of in the last two years, that they have not owned a home in the past three years, and that applicant's gross annual income falls below the following income limits, by family size.

Income Limits

| <u>1 Person</u> | <u>2 Persons</u> | <u>3 Persons</u> | <u>4 Persons</u> | <u>5 Persons</u> | <u>6 Persons</u> |
|-----------------|------------------|------------------|------------------|------------------|------------------|
| \$36,600 | \$41,800 | \$47,050 | \$52,250 | \$56,450 | \$60,650 |

The application form should be completed by your financial institution (Lender) certifying your financial situation. Please return this form to the Housing Authority upon completion and include 2 months of all household current and consecutive income statements along with the release of information form allowing the Housing Authority to verify this information.

The request for funds form should be completed after locating a house and having an offer to purchase accepted by the seller. A copy of the appraisal confirming the value of the house and the Good Faith Estimate of closing costs must also be submitted with the application. An interview will be conducted with the client to comply with HUD requirements.

We will then schedule an inspection by the Housing Quality Standards Inspector. Funds can only be disbursed under this program if the unit complies with HUD's minimum program requirements*. A professional housing inspection is also a requirement of this program, a copy of which must be received by this office no later than 10 days prior to closing. It is a good idea to make a note on the contingency of the offer to purchase of 'offer is subject to passing a Housing Quality Standards inspection and qualification of HA DPCC loan'. If the house is not approved, repairs can be made and be re-inspected within 30 days.

A completion certificate after the completion of a budget counseling program, either through the bank or the counseling services listed is also required.

After the inspector approves the house, the Authorization for Release of Funds will be made certifying the applicant qualifies for the loan. Prior to releasing the funds, the homebuyer will be required to execute a second mortgage and provide a copy of the Declaration of Homeowners Insurance.

If you have any questions or concerns, please contact Jennifer at **(715) 839-6108**.

Sincerely,

Jennifer Frueh
CDBG/HOME Program Specialist
HOUSING AUTHORITY OF THE CITY OF EAU CLAIRE

* The purpose of the Housing Quality Standards inspection is to determine whether the unit is minimally acceptable for meeting HUD established Housing Quality Standards for basic health and safety and is not meant to be a code compliance inspection for any codes other than HUD minimum standards.



HOUSING AUTHORITY OF THE CITY OF EAU CLAIRE

DOWN PAYMENT CLOSING COST ASSISTANCE PROGRAM

FACT SHEET

The Down payment/closing Cost Assistance Program will provide assistance to low to moderate-income families buying their first home.

The amount of assistance will be up to the lesser of \$3,300 or 5% of the purchase price, contingent upon the homebuyer contributing at least \$500 of their own money to the down payment and/or closing costs.

An additional grant of up to \$295, the average fee, for a professional home inspection, will be offered if the inspection is invoiced to the buyer and accepted for DPCC program, as the inspection is a HUD requirement.

The down payment/closing cost assistance will be in the form of a Deferred Payment Loan and will be secured with a second mortgage. HUD requires a minimum of a five-year affordability period for the Down Payment Closing Cost Assistance Program.

The terms are as follows:

- 1) 0% interest;
- 2) repayment is deferred until the owner either sells or transfers title to another owner, the property is no longer fully occupied by the original purchasers, or five years, whichever comes first.

During the five-year affordability period, 20% of the down payment/closing cost assistance is forgiven in each of the five years of homeownership, until the loan is forgiven.

Jennifer Frueh 715-839-6108

Housing Authority of the City of Eau Claire
PO Box 1186
Eau Claire WI 54702-1186

SELECTION CRITERIA

Applicants may not have owned a home for 3 years from the time of making application

Family gross income may not exceed 80% of the area median income as defined by U.S. Department of HUD based on 2 months current consecutive pay stubs.

An interview with the client will be conducted by Housing Authority to confirm income, per HUD requirements.

Value of applicant's capital assets cannot exceed \$5,000. (Retirement accounts, IRA's, 401K's, etc. plus Certificate of Deposit, checking and savings accounts.)

Purchase/appraised price of home may not exceed \$135,035.

Home must be located within the city limits of Eau Claire and will be limited to single family owner-occupied homes only. (Tenant-occupied units do not qualify due to relocation restrictions)

The home to be purchased must meet HUD Housing Quality Standards.

House must be real property, land plus improvements (no mobile homes).

House cannot have been previously assisted with Federal HOME funds within the last five years.

Applicant must have participated in and successfully completed "budget/housing counseling" program, see attached list of accepted programs.

Applicant will be required to obtain a professional home inspection prior to closing.

Applicant will be required to sign a Second Mortgage prior to the release of funds.

The Down Payment Closing Cost Assistance Loan has a five-year affordability period.

Applicant will be required to obtain a professional home inspection prior to closing. A \$295 inspection fee will be additional to the grant amount to help defray the cost of the inspection.

Applicants will be processed on a first-come, first-serve basis until the funds are depleted.

The Loan to Value Ratio including the Down Payment Loan may not exceed 100% of the appraised value.

Please complete and sign the application form and return to the Housing Authority office.

AUTHORITY

Budget Counseling Program

A completion certificate from one the HUD approved classes listed below is required for the Eau Claire Housing Authority Down Payment Closing Cost Assistance Program.

Western Dairyland

418 Wisconsin St., Eau Claire WI 54703

715-836-7511 x151

One on one budget and credit counseling tailored to fit your needs and consumer education.

This counseling will provide you with the information needed to gain confidence in handling the process of buying a home and so your family can continue financial stability after moving into your new home.

St. Lawrence Community Services (SLCS) formerly Catholic Charities

448 N Dewey St., Eau Claire WI 54703

715-832-6644

“Make Your Move: A Guide to Homeownership” is a comprehensive home-buying guide developed by the American Center for Credit Education. There is a fee associated with this program, please discuss this fee during your first contact.

The goals for “Make Your Move: a Guide to Homeownership” are:

- To prepare you for all aspects of the home-buying process
- To provide you with the information you need to gain confidence in handling the process of buying a home

Through Make Your Move, you will learn:

- What lenders consider when deciding whether you are a creditworthy buyer
- The types of loan programs available
- The types of fees involved with the purchase of a home
- Who the professionals in the home-buying process are
- Legal documents you will be asked to sign when buying a home

Knowing what is involved in the home-buying process helps you understand what will be expected of you and will help you get the best deal possible.

HOUSING AUTHORITY OF THE CITY OF EAU CLAIRE
Down Payment/Closing Cost Assistance Program
- Request for Funds -

Applicant Name _____

Address: _____

Phone: _____

Financial/Lender: _____

Contact person: _____

Address: _____

Phone: _____ Fax _____

Title Company: _____

If **Mortgage Company** please give name of Title Company, the Federally Approved Financial Institution they are representing, and enclose an Insured Closing or Closing Protection Letter.

Property to be Acquired: _____

Is this Unit Tenant or Owner Occupied, or Vacant? _____

(Tenant-occupied units do not qualify due to relocation restrictions.)

Listing Agency: _____

Listing Agent: _____

Address: _____

Phone: _____

Purchase Price: \$ _____

Seller Name: _____

Address: _____

Phone: _____

Down Payment/Closing Costs to be Incurred by Buyer:

Down Payment: _____

Closing Costs: _____

(minus est. County Taxes)

Other: _____

Other Grants/loans associated with home loan
(WHEDA E-Z close, etc.):

_____ Seller Paid

***Please include the Good Faith Estimate of Closing Costs and Appraisal with the completed form ***

****A copy of the professional home inspection must be provided to the Housing Authority 10 days prior to closing ****

Note: After the inspection has been done, should the buyer decide not to purchase the home, or should the buyer not be approved for financing, the buyer will be responsible for the inspection fee, not the Housing Authority. In addition, it is the buyer's responsibility to make sure the inspector has Errors & Omissions Insurance, as the Housing Authority has no liability for errors made in the home inspection, nor can the buyer make claim against the Housing Authority for such errors.

Buyer out-of-pocket contribution \$ _____

(This figure must be only the amount the buyer is contributing out-of-pocket. It cannot include gift monies or other grant amounts (including this HOME grant).

Date of Closing: _____

The undersigned hereby certifies that the above information is true and correct to the best of our knowledge and belief and that the funds requested will be used for the purposes described above as verified by a copy of the closing statement for the aforementioned property which will be provided to the Authority at the time of closing.

Signature of Lender

Date

Signature of Buyer

Date

HOUSING AUTHORITY OF THE CITY OF EAU CLAIRE

Application and Income/Eligibility Determination HOME DPCC

To Be Completed By Lender

A. Family Composition and Income of all family members- Do not include income of children under age 18

| Family Member | Age | Hdcp. (Yes or No) | Source & Rate of Income (Gross Amt) | Anticipated Annual Income |
|---------------|-----|----------------------|--|------------------------------|
| | | | | |
| | | | | |
| | | | | |
| | | | | |
| Total | | | | |

B. Assets- Include all bank accounts, Certificate of Deposits, IRAs, Retirement, Stocks and Bonds, cash and capital that can be converted to cash

| Family Member | Description of Assets and Where | Amount |
|---------------------|---------------------------------|--------|
| | | |
| | | |
| | | |
| | | |
| | | |
| Total Family Assets | | |

C. Race and Ethnicity Data- Please mark appropriate box: Data for HUD reporting

| Race | | Ethnicity | |
|---|--------|-----------|--------------|
| | Yes/No | Hispanic | Non-Hispanic |
| White | | | |
| Black or African American | | | |
| Asian | | | |
| American Indian or Alaskan Native | | | |
| Native Hawaiian or other Pacific Islander | | | |
| Other | | | |

Total Family Size _____ Children under 6yrs. old: ___Yes ___No

Has applicant owned a home within the past three years? ___Yes ___No

Is applicant leaving Housing Assistance program? ___Yes ___No

Applicant Current Address

Lender Certification

Lender's Name _____

Date _____

Authorization for the Release of Information/ Privacy Act Notice

to the U.S. Department of Housing and Urban Development (HUD)
and the Housing Agency/Authority (HA)

U.S. Department of Housing
and Urban Development
Office of Public and Indian Housing

OMB CONTROL NUMBER: 2501-0014

exp. 1/31/2014

PHA requesting release of information; (Cross out space if none)
(Full address, name of contact person, and date)

HOUSING AUTHORITY OF THE CITY OF EAU CLAIRE
203 S FARWELL ST
PO BOX 1186
EAU CLAIRE WI 54702-1186

CONTACT: JENNIFER FRUEH
715-839-6108

IHA requesting release of information: (Cross out space if none)
(Full address, name of contact person, and date)

XXXX

Authority: Section 904 of the Stewart B. McKinney Homeless Assistance Amendments Act of 1988, as amended by Section 903 of the Housing and Community Development Act of 1992 and Section 3003 of the Omnibus Budget Reconciliation Act of 1993. This law is found at 42 U.S.C. 3544.

This law requires that you sign a consent form authorizing: (1) HUD and the Housing Agency/Authority (HA) to request verification of salary and wages from current or previous employers; (2) HUD and the HA to request wage and unemployment compensation claim information from the state agency responsible for keeping that information; (3) HUD to request certain tax return information from the U.S. Social Security Administration and the U.S. Internal Revenue Service. The law also requires independent verification of income information. Therefore, HUD or the HA may request information from financial institutions to verify your eligibility and level of benefits.

Purpose: In signing this consent form, you are authorizing HUD and the above-named HA to request income information from the sources listed on the form. HUD and the HA need this information to verify your household's income, in order to ensure that you are eligible for assisted housing benefits and that these benefits are set at the correct level. HUD and the HA may participate in computer matching programs with these sources in order to verify your eligibility and level of benefits.

Uses of Information to be Obtained: HUD is required to protect the income information it obtains in accordance with the Privacy Act of 1974, 5 U.S.C. 552a. HUD may disclose information (other than tax return information) for certain routine uses, such as to other government agencies for law enforcement purposes, to Federal agencies for employment suitability purposes and to HAs for the purpose of determining housing assistance. The HA is also required to protect the income information it obtains in accordance with any applicable State privacy law. HUD and HA employees may be subject to penalties for unauthorized disclosures or improper uses of the income information that is obtained based on the consent form. **Private owners may not request or receive information authorized by this form.**

Who Must Sign the Consent Form: Each member of your household who is 18 years of age or older must sign the consent form. Additional signatures must be obtained from new adult members joining the household or whenever members of the household become 18 years of age.

Persons who apply for or receive assistance under the following programs are required to sign this consent form:

PHA-owned rental public housing
Turnkey III Homeownership Opportunities
Mutual Help Homeownership Opportunity
Section 23 and 19(c) leased housing
Section 23 Housing Assistance Payments
HA-owned rental Indian housing
Section 8 Rental Certificate
Section 8 Rental Voucher
Section 8 Moderate Rehabilitation

Failure to Sign Consent Form: Your failure to sign the consent form may result in the denial of eligibility or termination of assisted housing benefits, or both. Denial of eligibility or termination of benefits is subject to the HA's grievance procedures and Section 8 informal hearing procedures.

Sources of Information To Be Obtained

State Wage Information Collection Agencies. (This consent is limited to wages and unemployment compensation I have received during period(s) within the last 5 years when I have received assisted housing benefits.)

U.S. Social Security Administration (HUD only) (This consent is limited to the wage and self employment information and payments of retirement income as referenced at Section 6103(l)(7)(A) of the Internal Revenue Code.)

U.S. Internal Revenue Service (HUD only) (This consent is limited to unearned income [i.e., interest and dividends].)

Information may also be obtained directly from: (a) current and former employers concerning salary and wages and (b) financial institutions concerning unearned income (i.e., interest and dividends). I understand that income information obtained from these sources will be used to verify information that I provide in determining eligibility for assisted housing programs and the level of benefits. Therefore, this consent form only authorizes release directly from employers and financial institutions of information regarding any period(s) within the last 5 years when I have received assisted housing benefits.

Consent: I consent to allow HUD or the HA to request and obtain income information from the sources listed on this form for the purpose of verifying my eligibility and level of benefits under HUD's assisted housing programs. I understand that HAs that receive income information under this consent form cannot use it to deny, reduce or terminate assistance without first independently verifying what the amount was, whether I actually had access to the funds and when the funds were received. In addition, I must be given an opportunity to contest those determinations.

This consent form expires 15 months after signed.

Signatures:

| | | | |
|---|---------------|--|---------------|
| _____ Head of Household | _____ Date | | |
| _____ Social Security Number (if any) of Head of Household | | _____ Other Family Member over age 18 | _____ Date |
| _____ Spouse | _____ Date | _____ Other Family Member over age 18 | _____ Date |
| _____ Other Family Member over age 18 | _____ Date | _____ Other Family Member over age 18 | _____ Date |
| _____ Other Family Member over age 18 | _____ Date | _____ Other Family Member over age 18 | _____ Date |

Privacy Act Notice. Authority: The Department of Housing and Urban Development (HUD) is authorized to collect this information by the U.S. Housing Act of 1937 (42 U.S.C. 1437 et. seq.), Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), and by the Fair Housing Act (42 U.S.C. 3601-19). The Housing and Community Development Act of 1987 (42 U.S.C. 3543) requires applicants and participants to submit the Social Security Number of each household member who is six years old or older. Purpose: Your income and other information are being collected by HUD to determine your eligibility, the appropriate bedroom size, and the amount your family will pay toward rent and utilities. Other Uses: HUD uses your family income and other information to assist in managing and monitoring HUD-assisted housing programs, to protect the Government's financial interest, and to verify the accuracy of the information you provide. This information may be released to appropriate Federal, State, and local agencies, when relevant, and to civil, criminal, or regulatory investigators and prosecutors. However, the information will not be otherwise disclosed or released outside of HUD, except as permitted or required by law. Penalty: You must provide all of the information requested by the HA, including all Social Security Numbers you, and all other household members age six years and older, have and use. Giving the Social Security Numbers of all household members six years of age and older is mandatory, and not providing the Social Security Numbers will affect your eligibility. Failure to provide any of the requested information may result in a delay or rejection of your eligibility approval.

Penalties for Misusing this Consent:

HUD, the HA and any owner (or any employee of HUD, the HA or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form.

Use of the information collected based on the form HUD 9886 is restricted to the purposes cited on the form HUD 9886. Any person who knowingly or willfully requests, obtains or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000.

Any applicant or participant affected by negligent disclosure of information may bring civil action for damages, and seek other relief, as may be appropriate, against the officer or employee of HUD, the HA or the owner responsible for the unauthorized disclosure or improper use.



AUTHORITY

(715) 839-4943
Including Voice TDD
Fax: (715) 839-4939

LEAD-BASED PAINT NOTIFICATION

Name: _____

Date: _____

Name: _____

Address: _____

Eau Claire WI 5470__

Property address: _____

Eau Claire WI 5470__

I / we _____ and _____ do hereby certify
the receipt of the EPA Pamphlet "Protect Your Family From Lead in Your Home", as I/we am applying
for Federal HOME Program Funding to assist with DownPayment Closing Cost expenses.
This house could have been built prior to 1978 and have lead paint hazards.

Program Specialist

Homeowner

Homeowner